



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

July 16, 2009

Winnie Ho, Executive Director
Riviera, Inc. dba The Enterprise U
224 E. Olive Avenue, Suite 218
Burbank, CA 91502

Dear Ms. Ho:

RE: Final MONITORING VISIT REPORT for Riviera, Inc. dba The Enterprise U (The Enterprise U) – ET08-0441

Date of the Visit:	06/25/09
Beginning/Ending Time:	10:00 a.m. – 1:30 p.m.
Date of Last Visit:	01/30/09
Visit Location:	Burbank
Persons in attendance:	Winnie Ho, Executive Director, The Enterprise U Elsa Wadzinski, Project Analyst, Employment Training Panel
Action Required:	Yes

Term of Agreement:	04/07/08 – 04/06/10	Agreement Amount:	\$248,620
Training Start Date:	04/17/08	No. to Retain:	210
Date Training must be Completed:	01/05/10	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	Job 1 - 57, Job 2 - 64, Job 3- 112

SUMMARY OF ACTION REQUIRED FROM THIS VISIT:

Revision Request: *Page 2*
Last Day of Training: *Page 2*

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

REVISION REQUEST TO MOVE FUNDING:

During the visit, you advised the Analyst you will be submitting a revision request to move existing trainee slots/funds, to accommodate employer demand in the appropriate Job Numbers via a Modification. The request will increase funding, and the number of training hours in Job 2, while decreasing funding, the number of trainees to be retained and the number of training hours in Job 1. The Modification will decrease the total Agreement amount by \$834, from \$248,422 to \$247,588; and decrease the total number of trainees by 3 from 221 to 218.

The Revision Request for this Modification was submitted on July 2, 2009, and subsequently approved on July 16, 2009.

LAST DAY OF TRAINING:

You advised the Analyst that you have utilized 97% (\$240,221) of your funding to date, and are hesitant to continue training, as you do not have enough funds under this Agreement to complete training plans requested by participating employers. You further stated that you have already submitted a pre-application for a new ETP Contract in May 2009, but were advised that the pre-application is on hold, due to current State budget restraints.

Ms. Wadzinski advised you that although the last date of training reported during this Final Visit is June 3, 2009, in the event you find a participating employer, who can utilize the remainder of the ETP funds in your contract, you must contact her to advise her of the situation, prior to the start of training, to insure proper documentation to the file, discussing additional training provided after the Final Visit.

FINAL REPORT SUMMARY:

The Agreement for The Enterprise U was executed on April 30, 2008, and training began on April 17, 2008. You reported that the last date of ETP training was completed on June 3, 2009 (refer to Last Day of Training, page 2), which allows for the 90-day retention period to be completed within the term ending date of the Agreement – April 6, 2010.

Revision requests 1 and 2, initially submitted on January 8 and February 23, 2009, were withdrawn by The Enterprise U, in lieu of revision request 3. Revision Request 3, submitted on February 23, 2009, approved on May 20, 2009, requested a Modification to increase the number of training hours in Job 2, while decreasing funding and the number of trainees to be trained in Job 1, and eliminating Job 3; decreasing the total Agreement amount \$198, from \$248,620 to \$248,422; and increasing the number of trainees to retain by 11 from 210 to 221. Revision Request 4 (refer to Revision Request to Move Funding, page 2), submitted July 2, 2009, again requested to increase the funding, and number of training hours for training in Job 2, while decreasing funding and the number of trainees to be trained in Job 1; decreasing the total Agreement amount \$834, from \$248,422 to \$247,588; and the total number of trainees by 3, from 221 to 218.

According to the information you provided, 341 of the estimated 218 (+100%) trainees specified on Chart 1, Exhibit A of the Agreement, will complete the minimum number of training hours required (24 hours) for reimbursement, the 90-day retention period and meet the wage after retention. The total hours provided to trainees who met the required minimum in Job 1 are 3,392 and in Job 2, 9,662. At a reimbursement rate of \$15 per hour for Job 1 and \$18 per hour in Job 2, The Enterprise U will earn an estimated \$240,332 (97%) of the total ETP Agreement

amount, assuming all other ETP Agreement requirements are met. Since you have been paid \$172,620.75 to date, you will receive an additional \$67,711.25 in funding if the anticipated number to retain is verified during the final fiscal closeout. The Analyst commented that the \$172,620.75 of ETP funding paid to date is unearned; you responded that you have not submitted Final Invoices (or the Final Closeout), due to the possibility of a participating employer expressing the need to provide additional training to a group of trainees prior to the development of The Enterprise U's pre-application request for a new ETP Agreement.

The Analyst discussed your training plan with you, to which you replied, with 97 percent completion of training, The Enterprise U provided 341 trainees of participating employers with quality training in Continuous Improvement, Business Skills, Manufacturing Skills, Management Skills, Computer Skills and Advanced Technology training. You indicated that participating employer, THQ stated that they were able to provide skills development training for employees who normally would not have had the opportunity to obtain this training, and that training has already demonstrated improved communication skills and more effective goal-setting, resulting in more productive teamwork. Another participating employer, WIS indicated that the ETP funded training afforded them the opportunity to provide computer classes enabling employees to work seamlessly after a new software upgrade was rolled out.

In discussing what barriers you experienced in implementing your ETP program, you indicated that the implementation of training was not an issue, the only barrier unforeseen barrier, was in accommodating employer demand based on allocated funding by Job Number. You indicated that training demands for large and small businesses changed from the time of development, resulting in the need for Modifications to move funding to the appropriate job numbers to accommodate employer demand, throughout the term of the Agreement.

You advised the Analyst that ETP's websites are user-friendly, and are easy to maneuver around and enter data; and added that ETP staff provided good support throughout the Agreement. In closing, you stated that The Enterprise U has already submitted a pre-application for another ETP contract; and is looking forward to continuing to provide participating employers with training they might not afford, without the assistance of ETP funding.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number of Trainees to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
1	66	204	1	124	124	124
2	152	258	1	217	217	167
3	20	0	0	0	0	0
Total	218	462	2	341	341	291

The project status reported by project staff agreed with the Contract Status report that indicates 462 trainees were enrolled and 2 were dropped.

ATTENDANCE ROSTERS:

The Analyst reviewed attendance rosters for 26 trainees for the period of April 17, 2008 through June 3, 2009; comparing the information on the rosters with the data input on the ETP On-Line Tracking System. The review of the attendance rosters indicated that the rosters were completed correctly and corresponded with the training data input on the ETP On-Line Tracking System, and met ETP's requirements. Further, that the Agreement curriculum was provided as specified in Exhibit B of the curriculum and that you are in compliance with the ratio of one trainer to 20 retrainees for class/lab training and one to ten retrainees for Advanced Technology training, as specified in the Agreement Training Plan.

You were advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

AUDIT:

The Enterprise U will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Wally Aguilar, Program Manager
North Hollywood, Regional Office

Signature on file

Elsa Wadzinski, Contract Analyst
North Hollywood, Regional Office

cc: David A. Guzman, Chief, Audit's & Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 7/21/09